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Technical Support Document Non-Title V Air Quality Operating Permit

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Pace International, LLC

Yakama Reservation
Wapato, Washington

Purpose of Owner-Requested Non-Title V Operating Permit And Technical Support Document

Title 40 Code of Federal Regulations Section 49.139 establishes a permitting program to provide for the establishment of Federally-enforceable requirements for air pollution sources located within Indian reservations in Idaho, Oregon and Washington. The owner or operator of an air pollution source who wishes to obtain a Federally-enforceable limitation on the source's actual emissions or potential to emit must submit an application to the Regional Administrator requesting such limitation.

The United States Environmental Protection Agency (EPA) then develops the permit via a public process. The permit remains in effect until it is modified, revoked or terminated by EPA in writing.

This document, the technical support document fulfils the requirement of 40 CFR § 49.139(c)(3) by describing the proposed limitation and its effect on the actual emissions and/or potential to emit of the air pollution source. Unlike the air quality operating permit, this Technical Support Document is not legally enforceable. The permittee is obligated to follow the terms of the permit. Any errors or omissions in the summaries provided here do not excuse the permittee from the requirements of the permit.

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1. EPA Authority to Issue Non-Title V Permits

On April 8, 2005 The United States Environmental Protection Agency (EPA) adopted regulations (70 FR 18074) codified at 40 CFR Parts 9 and 49, establishing Federal Implementation Plans (FIPs) under the Clean Air Act for Indian reservations in Idaho, Oregon and Washington. The FIPs, commonly referred to as the Federal Air Rules for Reservations (FARR), put in place basic air quality regulations to protect health and welfare on Indian reservations located in the Pacific Northwest. 40 CFR § 49.139 creates a permitting program for establishing Federally-enforceable requirements for air pollution sources on Indian reservations. This permit has been developed pursuant to 40 CFR § 49.139.

2. Facility Information

2.1 Location

The Pace International, LLC (Pace) plant consists of two operations located approximately one mile apart in Wapato, Washington, on the Yakama Reservation. The main facility is located at 5661 Branch Road (Latitude: 46.405 Longitude: 120.498). The Cascade facility is located at 3800 Branch Road (Latitude: 46.405 Longitude: 120.458).

The facility Standard Industrial Classification codes are as follows:

2899	Manufacturing miscellaneous chemical preparations, not elsewhere classified (Shield Brite Products ® (post harvest) at Main facility)
2879	Formulation and preparation of ready-to-use agricultural and household pest control chemicals from technical chemicals or concentrates. (Deadline ® products at Cascade facility)

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2.2 Local Air Quality and Attainment Status

The Yakama Reservation is in attainment with the national ambient air quality standards or is unclassifiable. The subject facility is not located in a designated nonattainment area. With respect to prevention of significant deterioration (PSD) impact evaluation, the majority of the reservation is classified as Class II lands, except for a small portion in the western part of the reservation, located within the boundary of the Mt. Adams National Wilderness Area, which is designated as Class I.

2.3 General Description of Operations and Products

The Pace plant produces two types of products: Shield Brite agricultural post harvest coatings at the main facility and Deadline Slug and Snail Bait at the Cascade facility. The types of Shield Brite coating products made at Pace vary with market demands.

The Shield Brite process is a batch process that involves mixing heated water with shellac and miscellaneous ingredients, which vary by product, until they dissolve. The Deadline process is a continuous

process that involves mixing dry ingredients that are extruded to form palletized slug and snail bait. The ingredients are flour, animal fat, and metaldehyde which is a registered pesticide but is not a HAP.

The Pace facility currently conducts the following operations that have the potential to emit (PTE) regulated air pollutants:

- Combustion devices – two oil-fired boilers B6 - 600 HP, and B7 - 700 HP, which provide steam needed for process heat;
- Waste water ponds for collection of waste water from cleaning of Shield Brite equipment;
- Storage tanks for diesel fuel and Shield Brite ingredients;
- Mixing tanks for the Shield Brite process; and
- Cascade facility process emissions from the manufacture of the Deadline product are captured and controlled by a fabric filter baghouse with accompanying ductwork and an induced draft 40 horsepower fan.

Pace has discontinued their line of fertilizer products, as of the summer of 2005, including the Argo Tech products. The following Argo Tech fertilizer manufacturing operations are no longer in operation:

- Argo Tech fertilizer mixing tank with an exhaust fan;
- Argo Tech fertilizer spray dryer
- Combustion source – Propane heater for the Argo Tech process

2.4 Emissions

The potential emissions from the Pace facility consist of combustion emissions from 2 boilers, VOC and a small amount of HAP emissions from the Shield Brite processes, and PM and PM10 emissions from the Cascade processes, as summarized in the table below. Detailed emission estimates are presented in Appendix A

Table 1. Facility Potential Emissions

Emission Unit	Emission Unit Description	Annual Emissions (tons per year)							
		CO	Lead	NOx	PM with FARR	PM10 with FARR	SO2 with FARR	VOC	HAPs
WAP - B6	Boiler 600 HP	3.93	9.89E-04	15.71	1.57	1.81	55.75	0.16	0.012
WAP - B7	Boiler 700 HP	4.58	1.2E-03	18.33	1.83	2.11	65.08	0.18	
WAP - Shield Brite	Storage Tanks, Mixing Tanks, Evaporation/ Sediment Ponds							Assumed greater than 100	0.314
WAP - Cascade	Cascades Dry Mix Process Ventilation				59.79	41.85			
Total Potential Emissions		8.51	0.002	34.04	63.19	45.77	120.84	Assumed greater than 100	0.326

As can be seen in Table 1, only two pollutants, SO₂ and VOC, are potentially emitted in amounts greater than 100 tons per year, the threshold for Title V major source status. The discussion below presents the emission estimation techniques for each of the primary processes and notes where emission limits will be necessary to lower the PTE below the major source threshold. The potential and actual emissions, after applying the limits from this permit, are presented in Tables 1c and 1d of Appendix A.

Boilers

The boilers, used to produce steam for process heating, are fired with fuel oil. AP-42 emission factors were used to estimate emissions. The boiler PTE is based on the maximum boiler capacity according to Pace. As seen above in Table 1, the pollutants emitted from the boilers are SO₂, NO_x, small amounts of CO, PM, PM10, and VOC, and very small amounts of lead and HAPs. SO₂ and VOC are the only pollutants emitted by the boilers for which the facility's PTE is greater than 100 TPY. The PTE for SO₂ will be reduced below this level by taking a limit on the sulfur content of the fuel fired in the boilers. The boiler VOC emissions will not need a specific limit because the plant-wide VOC emissions will be limited in such a way that the boiler VOC emissions at maximum rates will not cause a compliance problem. A plant-wide HAP limit will also be created in the permit; this limit will apply to the boilers as well. Emissions estimates for HAPs from the boilers are detailed in Table 1b of Appendix A.

Shield Brite

The pollutants emitted by the Shield Brite process are VOCs with a small amount of HAPs. Raw materials used to make Shield Brite products are purchased and brought to the facility. Those materials are then mixed to form various Shield Brite products which are then sold and shipped off site. Some of the raw materials are also sold and shipped off site. Not all of the raw materials and products are sold and shipped every month, leaving some to be stored on site for indefinite periods. It is difficult to estimate the VOC PTE emissions from the Shield Brite process for several reasons: variable raw materials and products; variable batch times for the Shield Brite products; excess mixing tanks available for use; the potential for organics reaching the ponds; unknown capacity of the facility to produce Shield Brite products; and a lack of off-the-shelf emission estimation techniques.

A mass balance of Shield Brite materials was used to estimate the amount of VOC-containing material that can not be accounted for in the facility, this "lost" amount is assumed to be emitted to give a conservative estimate of VOC emissions. The mass balance considers starting and ending inventories of VOC-containing raw materials and products that are on-site as well as purchases (deliveries to the plant) of raw materials and sales (shipments from the plant) of raw materials and products. Emissions are estimated then by assuming all of the VOC in the VOC-containing material that is lost is emitted to the air.

The equation for performing the mass balance is:

$$\text{VOC Emitted} = (\text{Total Starting VOC Inventory} + \text{Total VOC Purchased}) \\ - (\text{Total VOC Sold} + \text{Total Ending VOC Inventory})$$

With more details added, the equation becomes:

$$\text{VOC}_{\text{Emitted_Monthly}} = \left(\left(\sum_1^n \text{RM}_{\text{INV}^{\text{Start}}} + \sum_1^m \text{PR}_{\text{INV}^{\text{Start}}} \right) + \sum_1^n \text{RM}_{\text{Purchased}} \right) \\ - \left(\left(\sum_1^n \text{RM}_{\text{Sold}} + \sum_1^m \text{PR}_{\text{Sold}} \right) + \left(\sum_1^n \text{RM}_{\text{INV}^{\text{END}}} + \sum_1^m \text{PR}_{\text{INV}^{\text{END}}} \right) \right)$$

Where:

$$\text{Total Starting VOC Inventory} = \left(\sum_1^n RM_{INV^{Start}} + \sum_1^m PR_{INV^{Start}} \right)$$

$$\text{Total VOC Purchased} = \sum_1^n RM_{Purchased}$$

$$\text{Total VOC Sold} = \left(\sum_1^n RM_{Sold} + \sum_1^m PR_{Sold} \right)$$

$$\text{Total Ending VOC Inventory} = \left(\sum_1^n RM_{INV^{END}} + \sum_1^m PR_{INV^{END}} \right)$$

n = The total number of raw materials that contain a VOCs compound that will be included in the mass balance (For example in the estimation used to determine the PTE n = 5 isopropyl alcohol, morpholine, versene 100, polysorbate 80 and ethyl alcohol)

m = The total number of products 1 through m that contain a VOCs compound 1 through n that will be included in the mass balance (For example in 2005 Pace made 114 products that contained one or more of the 5 VOC compounds that is included in the mass balance. Detailed information of the make up of each product is not described in this document because this information is confidential business information, however this information will be kept by Pace)

RM_{INV}^{START} = The starting monthly inventory mass of VOC in each raw material 1 through n (lbs)

PR_{INV}^{START} = The starting monthly inventory mass of VOC in each product 1 through m, that contains a VOC 1 through n (lbs)

$RM_{Purchased}$ = The mass purchased during the month of VOC for each raw material 1 through n (lbs)

RM_{Sold} = The mass of VOC that was sold with out processing during the month for each raw material 1 through n (lbs)

PR_{Sold} = The mass of VOC that was sold during the month in each product 1 through m, that contains a VOC 1 through n, (lbs)

RM_{INV}^{END} = The ending monthly inventory mass of VOC in each raw material 1 through n (lbs)

PR_{INV}^{END} = The ending monthly inventory mass of VOC in each product 1 through m, that contains a VOC 1 through n (lbs)

Whether purchased, sold or remaining on site as stored inventory, each VOC-containing raw material is first put in terms of the VOC it “represents” using the VOC content (fraction) for that material. The VOC fraction for each raw material can commonly be found on Material Safety Data Sheets (MSDS). The VOC content in each product is determined using the percentages of raw materials (and VOC fraction of the raw material) that make up the product. Pace can and should use other, more reliable sources for VOC content (e.g. direct measurements) when they are available. The volume of VOC is then converted from gallons to pounds (lbs) using the specific gravity for that VOC. This conversion is performed for each material and

then summed to determine the total mass (lbs) of VOCs for purchased raw materials, sold raw materials, sold products, and raw materials and products which remain in inventory.

Estimates of VOC emissions are based on information provided by Pace on the amounts of materials used in their processes. Actual emissions could be very different if Pace uses new raw materials, increases the amounts of materials used, or produces new products. Due to the difficulty for them to predict their production rates and potential VOC losses, Pace prefers to assume that the facility VOC emissions could potentially exceed 100 TPY. To ensure that they remain below the major source threshold, Pace has agreed to take a VOC limit of 80 tons per year. To address the small amount of HAPs that could be emitted by the Shield Brite process, a very conservative estimate will be made that all HAPs purchased could be emitted.

Cascade Facility

The Cascade facility emits PM and PM10 which are controlled by a baghouse. It is assumed that the baghouse must be in place to meet the FARR limits as described below in section 4.1. With the baghouse in place the actual PM and PM10 emissions estimates are well below 100 TPY.

Former Emissions

Emission estimates assume that no Argo Tech fertilizer manufacturing processes are used. It is also assumed that since the divestment of the line of fertilizer products the HAP compounds Manganese Carbonate, Manganese Sulfate, and Ethylene Glycol are no longer used. If Argo Tech fertilizer manufacturing were to resume, further evaluation would be needed to insure that the limits in this permit will keep emissions below the Title V threshold.

3. Description of Limits Requested

Pace is currently a Title V source; a Title V permit by EPA was issued to Pace on April 23, 2004. On September 1, 2005, EPA received an application for a Non-Title V Operating Permit from Pace requesting emission limits be established which will cap Pace's PTE to below the major source thresholds in Title V. This will allow Pace to operate without a Title V permit. Additional information in support of the non-Title V application was submitted to EPA in letters dated November 11, 2005, January 27, 2006, and February 21, 2006, and in email and phone conversations. Pace specifically requested the following limits:

- Limit particulate matter (PM), sulfur dioxide (SO₂), carbon monoxide (CO), nitrogen oxides (NO_x) and volatile organic compounds (VOC) to less than 80 tons per year per pollutant;
- Limit hazardous air pollutants (HAP) to less than 8 tons per year combined; and
- Limit fuel sulfur content to 0.05% to limit SO₂ emissions.

Pace's request also reflects the fact that since the issuance of their Title V permit dated April 23, 2004, changes have occurred in the products that they produce that have enabled them to comfortably meet these limits.

- Pace no longer produces any fertilizer products, including the ArgoTech products.
- Pace no longer uses the HAP compounds: Manganese Carbonate, Manganese Sulfate, and Ethylene Glycol as ingredients in fertilizer products after the divestment of the line of fertilizer products.

4. Regulatory Analysis and Permit Content

4.1 Evaluation of Request for Limits to Avoid Major Source Threshold for Title V

The Clean Air Act requires all major sources to obtain a Title V permit to operate. A source is major if it has the potential to emit 100 tons per year or more of any Title V pollutant, 10 tons per year or more of any individual HAP, or 25 tons per year or more of all HAPs aggregated. PTE is based on a full year of operation at maximum capacities, considering emission limits if they are enforceable and reductions by control devices if they are required. Enforceable limitations, often called synthetic minor limits, can be established to reduce PTE.

Pace has requested that requirements be established to limit their PTE below Title V major source thresholds. In order to determine which pollutants must be limited by the permit, an inventory of air pollutant emissions was created (see Appendix A). An analysis for each pollutant of concern is presented below.

NO_x, CO, and lead - Emissions of NO_x, CO, and lead are not major. These pollutants are only emitted by the boilers. At maximum capacity for the boilers the PTE is 34.04 TPY for NO_x, 8.51 TPY for CO, and 0.002 TPY for lead (see Table 1a in Appendix A). Therefore, no permit limits for NO_x, CO, or lead are necessary to avoid Title V.

SO₂ - The FARR has a limit on the sulfur content of fuel oil to no more than 0.5% by weight. The FARR limit on the sulfur content in the fuel does not keep the PTE for SO₂ below 100 tons per year. With only the FARR limit in place the PTE for SO₂ is 120.84 TPY (see Table 1a in Appendix A); therefore, Pace has requested to further limit the sulfur content of the fuel to a maximum of 0.05% sulfur by weight. With the limit on the sulfur content of the fuel to a maximum of 0.05% sulfur by weight in place the PTE for SO₂ is reduced to 12.08 TPY (see Table 1c in Appendix A). This limit will be included in the permit.

VOC - The Shield Brite process and the boilers emit VOC emissions. Emissions from the boilers are based on emissions factors and are generally very low; less than 1 TPY for both boilers combined. Pace has requested a limit of 80 tons per year for total VOC emissions. This will ensure they are not a Title V source taking into account the assumptions that are made and any small inaccuracies that might occur in their accounting of materials. Given that no more than 1 TPY of VOC emissions will be emitted by the boiler on a potential basis, there is no need to limit or measure the boiler VOC emissions to ensure Pace remains below the major source threshold..

As mentioned above, estimating the VOC potential emissions from the Shield Brite process is difficult. The accounting and deduction necessary to perform the mass balance approach described above is also very resource intensive. Pace has expressed an interest in finding a simpler technique for estimating VOC emissions, particularly for the materials they use in small quantities. To do so, a conservative VOC emission factor based solely on the amount of raw material purchased was created based on the data available and the mass balance approach.

Using the mass balance approach for the five raw materials used in the greatest amounts (isopropyl alcohol, morpholine, versene 100, polysorbate 80 and ethyl alcohol) it was found that the percentage of VOC lost (unaccounted for) ranged from 6.8% to 7.8% for all but one material, ethyl alcohol. Analysis showed that 76.5% of the purchased raw material, ethyl alcohol, was lost. Pace believes the estimated loss of ethyl alcohol to be greatly inflated. To account for occasional outliers such as ethyl alcohol, this inflated percentage was included in the average percentage of the purchased raw materials that were assumed to be lost. This average percentage was found to be 21%. To make this factor more conservative, the average was arbitrarily increased by 25%, to become 26% (21% x 1.25). Understanding the general concept of Pace's

business - buying raw materials, mixing those materials into products and selling those products - it is easy to accept a 26% loss of all purchased materials as being a conservative “worst case.” While monthly purchases, and therefore VOC emission estimates, will vary, this approach should be representative over a one year period which is the averaging period in the permit used to determine compliance.

Applying this worst case VOC emission factor (26%) to the same data (raw materials purchased) as the mass balance, Pace would be considered a major source of VOC, while the mass balance approach results in Pace being a minor source. This indicates that the worst case approach (26% of raw material purchases) results in much more conservative (higher) emission estimates than the mass balance approach while requiring much less recordkeeping and analysis than the mass balance approach - only raw material purchase information is needed, rather than sales, storage inventory and product information and analysis. The permit will allow Pace to use either the worst case factor or the mass balance approach and then sum the results of each. Based on past production rates, Pace will need to limit the quantity of raw materials to which they apply the worst case factor, accounting for the remaining materials in the mass balance. An example of the estimates follows.

Using 2005 production rates, Pace’s estimated emissions from mass balance calculations, performed as described below in permit condition 2.2, including the 5 materials listed above are 29.09 TPY of VOC. Including these materials in the mass balance leaves 35 VOC containing materials. The purchased amount of the excluded materials adds up to 152.7 tons of material. Assuming that 26% of that amount is emitted gives estimated emissions of 39.7 tons per year VOC from excluded materials. This gives total estimated VOC emissions of $29.09 + 39.7 = 68.8$ tons per year. Pace estimated that they produced about 70% of their capacity of Shield Brite products in 2005. If Pace were to realize their potential growth and exclude all of the same materials, the VOC emissions estimate could be up to 98.29 TPY. This is over Pace’s limit of 79 tons per year, but below the Title V threshold of 100 tons per year. In that case, Pace would need to include more materials in the mass balance to refine the estimate, thereby reducing their estimated emissions to below their limit.

As described in section 4.1, the permit will limit VOC emissions to 79 tons per year for the Shield Brite process, allowing two techniques for quantifying VOC emissions. Even with these conservative approaches for estimating emissions, Pace will comfortably be able to meet their limit, have a great deal of flexibility in their recordkeeping, and still maintain an ample margin for growth. By setting the Shield Brite process VOC limit well below the Title V major source threshold of 100, the source will remain minor without any VOC restrictions on the boiler. The total VOCs estimated to be emitted, using a combination of the mass balance approach and the 26% emission factor may also be used as emissions information required to be reported under the FARR regulation.

PM and PM10 - The boilers and Cascade process emit PM and PM10 emissions. Using emission factors, boiler emissions of PM and PM10 are estimated to be well below 100 tpy (less than 4 TPY combined for both PM and PM10, see Table 1a in Appendix A). The FARR has a PM emission limit that applies to the Cascade process and effectively limits PM10 emissions as well. Emissions from the cascade process are assumed to primarily pass through the Cascade baghouse. Operation and maintenance of the baghouse is assumed to be necessary to ensure emissions remain below the FARR limit. The concentration of PM in the exhaust from the bag house is limited to 0.1 gr/dscf by the FARR (see 40 CFR Part 49.125(d)(3)). If the maximum gas flow rate of the baghouse is applied, the potential emissions estimated from the baghouse are below 60 TPY. It is estimated, based on a PM factor for the baghouse provided by the applicant, that with the baghouse in place the PM and PM10 actual emissions will be 15.36 TPY and 12.29 TPY respectively (see Table 1c in Appendix A). The baghouse is assumed to be required in order to meet the FARR limits. The baghouse will also insure that the PTE for PM and PM10, both of which are unclear without the baghouse, are below the Title V threshold; therefore, a requirement for operation of the baghouse has been placed in this permit.

HAP – Emissions of HAPs are not major but a limit will be placed to insure that they do not become major. Only a small amount of HAPs are used as materials in the Shield Brite process and no HAPs are used in the Deadline processes. There are also a small amount of HAP emissions from the fuel combusted in the boiler. Based on emission factors, the estimate of PTE HAP emissions from the boilers is 0.012 TPY. In 2005 the compounds that are considered HAPs that were used in the Shield Brite process were Diethanolamine, and Glycol Ethers. The total amount of these compounds purchased in 2005 was 0.314 tons. Therefore, even if the total amount purchased was to be emitted Pace would still be well below the HAP threshold for Title V even without any restrictions on the boiler.

Pace also has Hydrochloric Acid on site, which is a HAP, however, this is not processed. Hydrochloric Acid is purchased by Pace, relabeled, and resold but the containers are never opened and so there will be no emissions. To ease the recordkeeping burden while maintaining a very conservative estimate Pace will assume that all HAPs purchased could be emitted.

To maintain flexibility in the compounds used in the Shield Bright process and still remain well below the Title V threshold for HAPs, a limit with monitoring and recordkeeping will be placed of no more than 8 tons per year of all HAPs aggregated. Because the amount purchased is so little and for ease in recordkeeping, it will be assumed that the entire amount purchased is emitted. Even with this very conservative approach it is expected that Pace will be well below their permit limit.

This analysis of the limits necessary to remain below major source threshold for Title V is based on the assumption that there are no longer any fertilizer products, including the ArgoTech products, or any products that contain HAP compounds Manganese Carbonate, Manganese Sulfate, and Ethylene Glycol as ingredients produced at Pace. Further analysis would be needed to evaluate Title V applicability if additional products lines were introduced. An estimate of Pace's emissions, as limited by the permit is also included in Table 1c of Appendix A.

4.2 Permit Content

The permit includes the requested PTE limits as well as monitoring, recordkeeping and reporting requirements necessary to assure compliance with the limits. Each section of the permit is discussed below. The permit is organized into 4 sections as follow:

1. General Conditions
2. PTE Limits and Work Practice Requirements
3. Monitoring and Recordkeeping Requirements
4. Reporting Requirements

A description of each condition in the permit follows.

General Conditions

This section of the permit contains conditions of a general nature that apply to the facility.

Permit Condition 1.1 requires Pace to comply with the conditions in the permit.

Permit Conditions 1.2 explains that the permit does not relieve the permittee from complying with any other rules or requirement that apply. This permit establishes owner-requested limits and related compliance assurance provisions to restrict Pace's PM, VOC and SO₂ PTE; such that, Pace is no longer subject to Title V. It does not contain other Clean Air Act requirements to which the Pace facility is or may be subject, such as the FARR; New Source Performance Standards, 40 CFR Part 60; and National Emissions Standards for Hazardous Air Pollutants, 40 CFR Part 61, and 63. As specified in Condition 1.2, compliance with the

terms of this permit in no way relieves or exempts Pace of compliance with other applicable Clean Air Act requirements or of any other applicable federal, tribal, state, or local law or regulation. If in the future, Pace chooses to relax the limits in Section 2 such that the facility becomes a major Title V source, 40 CFR Part 71 will again apply.

PTE Limits and Work Practice Requirements

Permit Condition 2.1 Boiler Fuel Sulfur Limit - This condition limits the amount of sulfur that any liquid fuel burned in the boilers can contain. This limit, together with the capacity of the boilers, assures that the SO₂ emissions from the boilers will not exceed 100 tpy.

Permit Condition 2.2 Facility-wide Volatile Organic Compound Emission Limit - This condition limits the VOC emissions from the entire facility on a rolling 12-month basis. Compliance with the limit assures that the Pace facility is not a major source of VOC emissions. Pace has requested a limit of 80 tpy on their total VOC emissions. The PTE from the boilers is expected to be less than 1 tpy. Therefore a limit of 80 tpy is set for all VOC emissions from the Shield Brite process. VOC emissions shall be calculated monthly using equation 1 below for all VOC-containing materials, which sums emissions estimated using the mass balance approach and emissions estimated using the worst case emission factor of 26%. The “Mass Balance VOC Losses” is a mass balance (in tons) performed using equation 2 below using the starting VOC inventory for the month, the VOC purchased for the month, the VOC sold for the month, and the ending VOC inventory for the month. The inventory is described in more detail in section 2.4 above. The “Excluded VOC Purchased” includes (in tons) all organic compounds purchased during the month that are not included in the VOC losses mass balance. The “worst case” emission factor of 0.26 is applied to the purchased VOC that were excluded from the mass balance.

Equation 1:

$$\text{Monthly VOC emissions} = [(\text{Mass Balance VOC Losses}) + (\text{Excluded VOC Purchased}) \times 0.26]$$

Equation 2:

$$\text{Mass Balance VOC Losses} = (\text{Total Starting VOC Inventory} + \text{Total VOC Purchased}) - (\text{Total VOC Sold} + \text{Total Ending VOC Inventory})$$

Pace can exclude materials from the mass balance to reduce their recordkeeping burden, provided that Pace assumes that 26% of the purchased amount of the excluded materials is emitted and the sum of the emissions calculated from the mass balance and those from the excluded materials is not greater than 79 tons per year.

Permit Condition 2.3 Facility-wide Hazardous Air Pollutant Emission Limit - This condition limits the HAP emissions from the entire facility on a rolling 12-month basis. Compliance with the limit assures that the Pace facility is not a major source of HAP emissions.

Permit Condition 2.4 Cascade Facility Baghouse Requirement - This condition requires that the baghouse be operated and maintained. Operation of a maintained baghouse helps assure the emission estimation assumptions remain representative into the future. Compliance with the requirement assures that the Pace facility is not a major source of PM or PM₁₀ emissions.

Monitoring and Recordkeeping Requirements

Permit Condition 3.1 Boiler Fuel Sulfur Records - This condition requires Pace to maintain purchase records or equivalent from the fuel supplier that show the sulfur content of the fuel oil delivered to the facility on an as-received basis is a maximum of 0.05% sulfur by weight. Purchase records shall be used to document the amount of fuel combusted during each month. If purchase records are not available from the

vendor, Pace will be responsible for sampling and analyzing the sulfur content of each fuel purchase to verify compliance with the sulfur content limit. The analytical method that must be used is specified in the condition.

Permit Condition 3.2 VOC Emission Records - This condition requires Pace to keep records of their material purchases, sales and inventory and to use those records to calculate VOC emissions each month. The condition lists the materials and records that should be tracked. Pace has relied upon MSDS to determine the VOC content of their materials. Permit requirement 3.2.8 requires the source or basis of VOC content information. Pace needs to say whether they are using MSDS, have actual sample data, or something else. Due to the inherent inaccuracies of MSDS, EPA would prefer to see data specific to materials used by Pace. Information collected according to the recordkeeping requirements in Permit Condition 3.2 will be used to estimate VOCs each month using the equations that are described in permit condition 2.2 including a total facility mass balance. It will be assumed that the emissions of VOCs from the mass balance for the Pace facility will be the amount of unaccounted VOCs in the mass balance.

Records of the data for the mass balance materials and the excluded materials are required. For the excluded material Pace will be required to report the names of these compounds, their MSDS, and the amounts that were purchased each month. For the material that are included in the mass balance, Pace must also include the amounts of those materials, including raw materials and materials in products, in starting and ending inventory, and the amount of materials in products that are sold each month. The total VOC emissions will be the sum of the results from the mass balance added to 26% of the purchased amount of the excluded materials.

Permit Condition 3.3 HAP Emission Records – This condition requires recording of all HAPs purchased. For ease in recordkeeping it will be assumed that all HAPs purchased are emitted. There is such a small amount of HAPs purchased that it is expected that Pace should have no problem meeting their limits even with this very conservative estimate.

Permit Condition 3.4 Cascade Facility Baghouse Records - This condition requires recording of all time periods when the Cascade process operates without the baghouse in operation. The PTE estimating in Appendix A assumes that the operation of the baghouse is necessary to comply with the FARR PM limit. Operation of the Cascade facility without the baghouse in operation could be credible evidence of a FARR PM limit violation.

Permit Condition 3.5 Records Retention - This condition requires the permittee to maintain copies of all required records a period of five years including emissions calculations and all supporting documentation.

Reporting Requirements

Permit Condition 4.1 Reporting Requirements - This condition requires Pace to annually submit to EPA a report which includes the boiler fuel sulfur, VOC emissions and supporting monthly totals information, HAP emissions, and Cascade facility baghouse records. For ease in coordinating submittals, this report is required to be submitted concurrently with the annual FARR registration submittal as specified in 40 CFR § 49.139(f). For Pace, the due date for these reports is February 15 of each year.

4.3 Other Federal Regulations

EPA is obligated under the Endangered Species Act (ESA), Section 7, 16 U.S.C. §1531, to consider the impact that a federal project may have on listed species or critical habitats. Based on the fact that the permit does not specifically authorize construction of an emission source and that the permit contains a voluntarily-requested emission limit to reduce potential emissions, it is EPA's conclusion that the issuance of this permit to Pace will not affect a listed specie or critical habitat. Therefore, no additional requirements will be

added to this permit for ESA reasons. EPA's no effect determination concludes EPA's obligations under Section 7 of the ESA (See Endangered Species Consultation Handbook: Procedures for Conducting Consultation and Conference Activities Under Section 7 of the Endangered Species Act, FWS and NMFS, March 1998, at Figure 1).

National Environmental Policy Act (NEPA) Review - Under Section 793(c) of the Energy Supply and Environmental Coordination Act of 1974, no action taken under the Clean Air Act shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969. This permit is an action taken under regulations implementing the Clean Air Act and is therefore exempt from NEPA.

National Historic Preservation Act (NHPA) – No part of the Pace facility is listed in the National Register. There will be no modifications made to any existing. Consequently, no adverse effects are expected, and further review under NHPA is not indicated.

5. Permit Procedures

5.1 Permit Revisions, Termination and Reissuance

This section provides details on procedures for revision, termination, revocation and re-issuance of non-Title V operating permits. Pace may request EPA to revise the conditions of this permit by submitting an application that contains the information specified in 40 C.F.R. 49.139(d). EPA will revise the permit using the same procedures that apply to initial permit issuance.

If Pace wishes to terminate the permit, a written request must be submitted to EPA explaining the reasons for the request and, if necessary for continued operation, submitting applications for any Clean Air Act permits or approvals that Pace Wapato avoided by establishment of the limits contained in this permit.

This permit may be terminated, revised, or revoked and reissued by EPA for cause. Cause exists to terminate, revise, or revoke and reissue this permit under the following circumstances:

1. This permit contains a material mistake;
2. Inaccurate statements were made in establishing the terms or conditions of this permit;
3. The permittee fails to comply with any condition of this permit; or
4. This permit must be terminated, revised, or reopened and reissued to assure compliance with Clean Air Act requirements.

EPA will use the same proceedings to terminate, revise, or revoke and reissue a permit for cause as for initial permit issuance. Before initiating proceedings to terminate, revise, or revoke and reissue a permit, EPA will provide Pace Wapato at least 30 days' advance written notice of EPA's intent to terminate, revise, or revoke and reissue the permit, except that EPA may provide a shorter notice period in the case of an emergency.

5.2 Public Notice and Comment

As required under 40 CFR § 49.139(c), all draft owner-requested operating permits must be publicly noticed and made available for public comment. For this permit action, the requirements of 40 CFR § 49.139(c)(5) are as follow:

1. Make available for public inspection, in at least one location in the area affected by the air pollution source, a copy of the draft operating permit prepared by EPA, the technical support document for the draft permit, the application, and all supporting materials (see 40 CFR 49.139(c)(5)(i));
2. Publish public notice for this draft permit, by prominent advertisement in a newspaper of general circulation in the area affected by this source, of the availability of the draft permit to operate and supporting materials and of the opportunity to comment. Where possible, notices will also be made in the Tribal newspaper (see 40 CFR 49.139(c)(5)(ii));
3. Provide copies of the notice to the owner or operator of the air pollution source, the Tribal governing body, and the Tribal, State and local air pollution authorities having jurisdiction in areas outside of the Indian reservation potentially impacted by the air pollution source (see 40 CFR 49.139(c)(5)(iii)); and
4. Provide for a 30-day period for submittal of public comments, starting upon the date of publication of the notice. If requested, the Regional Administrator may hold a public hearing and/or extend the public comment period for up to an additional 30 days (see 40 CFR 49.139(c)(5)(iv)).

40 CFR § 49.139(c) also contains requirements that apply after the draft permit is made available for public comment. These additional requirements must be satisfied prior to issuance of the final permit:

1. EPA will accept comments on the draft permit, during the 30 day public comment period (see 40 CFR 49.139(c)(5)(iv));
2. After the close of the public comment period, EPA will consider all comments received and prepare a final permit to operate and final technical support document. The final technical support document will include a response to all comments received during the public comment period (see 40 CFR 49.139(c)(6));

After issuance of the final permit and technical support document, the following requirements must also be satisfied:

1. Make the final permit and technical support document available at all of the locations where the draft permit was made available (see 40 CFR 49.139(c)(7)); and
2. Send the final permit and technical support document to all persons who provided comments on the draft permit to operate (see 40 CFR 49.139(c)(7)).

5.3 Response to Public Comments

The draft permit and technical support document were made available during a public comment period that lasted from October 20, 2006 to November 24, 2006. No comments were received during this time.

6. Abbreviations and Acronyms

CFR	Code of Federal Regulations
EPA	United States Environmental Protection Agency (also U.S. EPA)
FARR	Federal Air Rules for Reservations
FR	Federal Register
HAP	Hazardous air pollutant
NESHAP	National Emission Standards for Hazardous Air Pollutants (Title 40 CFR Parts 61 and 63)
PSD	Prevention of significant deterioration
PTE	Potential to emit
TPY	Tons per year
VOC	Volatile organic compound